

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 223 be amended to read as follows:

- 1           Page 4, between lines 23 and 24, begin a new paragraph and insert:  
2           "SECTION 3. IC 8-1-8.8-9, AS AMENDED BY P.L.175-2007,  
3           SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4           UPON PASSAGE]: Sec. 9. As used in this chapter, "qualified utility  
5           system property" means any new energy generating or coal gasification  
6           facility **that, after notice and hearing, is found by the commission**  
7           **to be used or to be used, in whole or in part, and useful** by an energy  
8           utility to provide retail energy service (as defined in IC 8-1-2.5-3)  
9           regardless of whether that service is provided under IC 8-1-2.5 or  
10          another provision of this article.  
11          SECTION 4. IC 8-1-8.8-11 IS AMENDED TO READ AS  
12          FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The  
13          commission shall encourage clean coal and energy projects by creating  
14          the ~~following~~ financial incentives **described in subsection (b)** for  
15          clean coal and energy projects if, **after notice and hearing, the**  
16          **commission finds:**  
17               (1) the projects are ~~found to be~~ reasonable and necessary **to serve**  
18               **the utility's retail customers;**  
19               (2) the projects are the lowest reasonable cost resource to  
20               **meet customer needs; and**  
21               (3) the generation part of the project is used and useful.  
22               **(b) If the commission makes the findings described in subsection**  
23               **(a), the commission may create the following financial incentives**  
24               **for clean coal and energy projects:**

(1) The timely recovery of costs incurred during construction and operation of projects described in section 2(1) or 2(2) of this chapter.

~~(2) The authorization of up to three (3) percentage points on the return on shareholder equity that would otherwise be allowed to be earned on projects described in subdivision (1):~~

~~(3) (2) Financial incentives for the purchase of fuels produced by a coal gasification facility, including cost recovery and the incentive available under subdivision (2):~~

~~(4) (3) Financial incentives for projects to develop alternative energy sources, including renewable energy projects.~~

~~(5) Other financial incentives the commission considers appropriate.~~

~~(b)~~ (c) An eligible business must file an application to the commission for approval of a clean coal and energy project under this section. This chapter does not relieve an eligible business of the duty to obtain any certificate required under IC 8-1-8.5 or IC 8-1-8.7. An eligible business seeking a certificate under IC 8-1-8.5 or IC 8-1-8.7 and this chapter for one (1) project may file a single application for all necessary certificates. If a single application is filed, the commission shall consider all necessary certificates at the same time.

~~(c)~~ (d) The commission shall promptly review an application filed under this section for completeness. The commission may request additional information the commission considers necessary to aid in its review.

~~(d)~~ (e) The commission shall, after notice and hearing, issue a determination of a project's eligibility for the financial incentives described in subsection ~~(a)~~ (b) not later than one hundred twenty (120) days after the date of the application, unless the commission finds that the applicant has not cooperated fully in the proceeding.

SECTION 5. IC 8-1-8.8-12, AS AMENDED BY P.L.175-2007, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. ~~(a) The commission shall provide financial incentives to eligible businesses for new energy producing and generating facilities in the form of timely recovery of the costs incurred in connection with the construction, repowering, expansion, operation, or maintenance of the facilities.~~

~~(b) An eligible business seeking authority to timely recover the costs described in subsection (a) must apply to the commission for approval of a rate adjustment mechanism in the manner determined by the commission.~~

~~(c) An application must include the following:~~

~~(1) A schedule for the completion of construction, repowering, or expansion of the new energy generating or coal gasification facility for which rate relief is sought.~~

~~(2) Copies of the most recent integrated resource plan filed with~~

1           the commission, if applicable.

2           ~~(3) The amount of capital investment by the eligible business in~~  
 3           ~~the new energy generating or coal gasification facility.~~

4           ~~(4) Other information the commission considers necessary.~~

5           ~~(d)~~ **(a)** The commission shall allow an eligible business to recover  
 6 the costs associated with qualified utility system property if the eligible  
 7 business provides substantial documentation that the ~~expected~~ costs  
 8 associated with qualified utility system property and the schedule for  
 9 incurring those costs are reasonable and necessary.

10          ~~(e)~~ **(b)** The commission shall allow an eligible business to recover  
 11 the costs associated with the purchase of fuels produced by a coal  
 12 gasification facility if the eligible business provides substantial  
 13 documentation that the costs associated with the purchase are  
 14 reasonable and necessary.

15          ~~(f)~~ **(c)** A retail rate adjustment mechanism proposed by an eligible  
 16 business under this section may be based on actual or forecasted data.  
 17 If forecast data is used, the retail rate adjustment mechanism must  
 18 contain a reconciliation mechanism to correct for any ~~variance between~~  
 19 **overrecovery of costs due to the use of** the forecasted costs. ~~and the~~  
 20 ~~actual costs.~~

21          **(d) The commission shall order a reduction of up to three (3)**  
 22 **percentage points on the return of shareholder equity that would**  
 23 **otherwise be allowed to be earned on projects described in section**  
 24 **2(1) or 2(2) of this chapter to reflect the reduced risk to**  
 25 **shareholders from using a rate adjustment mechanism."**

26          Renumber all SECTIONS consecutively.

(Reference is to ESB 223 as printed February 22, 2008.)

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Representative Cheatham